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15 **UNITED STATES DISTRICT COURT**  
16 **CENTRAL DISTRICT OF CALIFORNIA**

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18 **FEDERAL TRADE COMMISSION,**  
19 **Plaintiff,**

20 **v.**

21 **KEYVIEW LABS, INC.,**  
22 **BRAIN RESEARCH LABS, LLC,**  
23 **20/20 BRAIN POWER PARTNERS, LLC,**  
24 **20/20 BRAIN POWER FOUNDERS, LLC,**  
25 **MEDHEALTH DIRECT, INC.,**  
26 **GEORGE REYNOLDS, a/k/a Josh**  
27 **Reynolds and Joshua Reynolds, and**  
28 **JOHN ARNOLD,**

**Defendants.**

Docket No.: 8:15-cv-1047

**STIPULATED FINAL  
JUDGMENT AND ORDER  
FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AS TO  
BRAIN RESEARCH LABS,  
LLC, 20/20 BRAIN POWER  
PARTNERS, LLC, 20/20  
BRAIN POWER FOUNDERS,  
LLC, MEDHEALTH DIRECT,  
INC., GEORGE REYNOLDS,  
a/k/a Josh Reynolds and Joshua  
Reynolds, and JOHN ARNOLD**

1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed its  
2 Complaint in this matter, pursuant to Section 13(b) of the Federal Trade  
3 Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Commission and  
4 Defendants Brain Research Labs, LLC, 20/20 Brain Power Partners, LLC, 20/20  
5 Brain Power Founders, LLC, MedHealth Direct, Inc., George Reynolds, also  
6 known as Josh Reynolds and Joshua Reynolds, and John Arnold (collectively,  
7 “BRL Defendants”), agreed in the Stipulation to Enter Final Judgment and Order  
8 For Permanent Injunction and Other Equitable Relief (“Order”) to entry of this  
9 Order, and requested that the Court enter the same to resolve all matters in dispute  
10 in this action between them.

11 **THEREFORE, IT IS ORDERED** as follows:

12 **FINDINGS**

- 13 1. This Court has jurisdiction over this matter.
- 14 2. The Complaint charges that Defendants participated in deceptive acts  
15 or practices and false advertisements in violation in violation of Sections 5 and 12  
16 of the FTC Act, 15 U.S.C. §§ 45(a) and 52, in connection with the labeling,  
17 advertising, marketing, distribution, and sale of Procera AVH, a dietary  
18 supplement.
- 19 3. BRL Defendants neither admit nor deny any of the allegations in the  
20 Complaint, except as specifically stated in this Order. Only for purposes of this  
21 action, BRL Defendants admit the facts necessary to establish jurisdiction.
- 22 4. BRL Defendants waive any claim that they may have under the Equal  
23 Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action  
24 through the date of this Order, and agree to bear their own costs and attorney fees.
- 25 5. BRL Defendants waive all rights to appeal or otherwise challenge or  
26 contest the validity of this Order. This action and the relief awarded herein are in  
27 addition to, and not in lieu of, other remedies as may be provided by law.
- 28

6. Pursuant to Federal Rule of Civil Procedure 65(d), the provisions of this Order are binding upon BRL Defendants, and their officers, agents, representatives, employees, and all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.

7. The paragraphs of this Order shall be read as the necessary requirements of compliance and not as alternatives for compliance, and no paragraph serves to modify another paragraph unless expressly so stated.

## **ORDER**

### **DEFINITIONS**

For the purpose of this Order:

1. “Advertising” and “promotion” mean any written or verbal statement, illustration, or depiction designed to effect a sale or create interest in the purchasing of products or services, whether it appears in a brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, packaging, package insert, label, film, slide, radio, television or cable television, audio program transmitted over a telephone system, program-length commercial (“infomercial”), the Internet, email, press release, video news release, or in any other medium.

2. “BRL Defendants” means the Individual Defendants and the Corporate Defendants, individually, collectively, or in any combination.

3. “Commerce” means as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

4. “Corporate Defendants” means Brain Research Labs, LLC, 20/20 Brain Power Partners, LLC, 20/20 Brain Power Founders, LLC, MedHealth Direct, Inc., and their successors and assigns.

1           5.     “Covered Product” means any dietary supplement, food, or drug,  
2 including, but not limited to, Procera AVH.

3           6.     “Endorsement” means as defined in 16 C.F.R. § 255.0(b).

4           7.     “Essentially Equivalent Product” means a product that contains the  
5 identical ingredients, except for inactive ingredients (e.g., binders, colors, fillers,  
6 excipients), in the same form and dosage, and with the same route of  
7 administration (e.g., orally, sublingually), as the Covered Product; provided that  
8 the Covered Product may contain additional ingredients if reliable scientific  
9 evidence generally accepted by experts in the relevant field indicates that the  
10 amount and combination of additional ingredients is unlikely to impede or inhibit  
11 the effectiveness of the ingredients in the Essentially Equivalent Product.

12          8.     “Food” and “drug” mean as defined in Section 15 of the FTC Act, 15  
13 U.S.C. § 55.

14          9.     “Individual Defendants” means George Reynolds, also known as Josh  
15 Reynolds and Joshua Reynolds, and John Arnold.

16          10.    “Person” means a natural person, an organization, or other legal  
17 entity, including a corporation, partnership, sole proprietorship, limited liability  
18 company, association, cooperative, or any other group or combination acting as an  
19 entity.

20          11.    “Reliably Reported,” for a human clinical test or study (“test”), means  
21 a report of the test has been published in a peer-reviewed journal, and such  
22 published report provides sufficient information about the test for experts in the  
23 relevant field to assess the reliability of the results.

24          12.    The term “including” in this Order means “including without  
25 limitation.”  
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I.

**PROHIBITED REPRESENTATIONS: MEMORY AND COGNITIVE  
FUNCTION CLAIMS**

**IT IS ORDERED** that BRL Defendants, their officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product are hereby permanently restrained and enjoined from making, or assisting others in making, expressly or by implication, including through the use of a product or program name, endorsement, depiction, or illustration, any representation that such product:

A. Improves or restores memory, mental clarity, focus, concentration, mood, or other cognitive or mental function; or

B. Stops or reverses memory loss, or cognitive or mental decline; unless the representation is non-misleading and, at the time of making such representation, BRL Defendants possess and rely upon competent and reliable scientific evidence to substantiate that the representation is true. For purposes of this Section, competent and reliable scientific evidence shall consist of human clinical testing of the Covered Product or of an Essentially Equivalent Product that is sufficient in quality and quantity, based on standards generally accepted by experts in memory or cognitive function, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. Such testing shall be randomized, double-blind, and placebo-controlled, and be conducted by researchers qualified by training and experience to conduct such testing. In addition, all underlying or supporting data and documents generally accepted by experts in memory or cognitive function as relevant to an assessment of such testing as described in the Section entitled Preservation of Records Relating to Competent and Reliable Human Clinical Tests

1 or Studies must be available for inspection and production to the Commission.  
2 BRL Defendants shall have the burden of proving that a product satisfies the  
3 definition of an Essentially Equivalent Product.

4 **II.**

5 **PROHIBITED REPRESENTATIONS: OTHER HEALTH-RELATED**  
6 **CLAIMS**

7 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,  
8 and employees, and all other persons in active concert or participation with any of  
9 them, who receive actual notice of this Order, whether acting directly or indirectly,  
10 in connection with the manufacturing, labeling, advertising, promotion, offering  
11 for sale, sale, or distribution of any Covered Product, are permanently restrained  
12 and enjoined from making, or assisting others in making, directly or by  
13 implication, including through the use of a product or program name, endorsement,  
14 depiction, or illustration, any representation, other than representations covered  
15 under Section I of this Order, about the health benefits, performance, or efficacy of  
16 any Covered Product, including, but not limited to, any representation that any  
17 Covered Product prevents memory decline or other cognitive or mental decline,  
18 unless the representation is non-misleading, and, at the time of making such  
19 representation, BRL Defendants possess and rely upon competent and reliable  
20 scientific evidence that is sufficient in quality and quantity based on standards  
21 generally accepted in the relevant scientific fields, when considered in light of the  
22 entire body of relevant and reliable scientific evidence, to substantiate that the  
23 representation is true.

24 For purposes of this Section, competent and reliable scientific evidence  
25 means tests, analyses, research, or studies (1) that have been conducted and  
26 evaluated in an objective manner by qualified persons; (2) that are generally  
27 accepted in the profession to yield accurate and reliable results; and (3) as to  
28 which, when they are human clinical tests or studies, all underlying or supporting

1 data and documents generally accepted by experts in the field as relevant to an  
 2 assessment of such testing as set forth in Section III of this Order are available for  
 3 inspection and production to the Commission.

### 4 **III.**

#### 5 **PRESERVATION OF RECORDS RELATING TO COMPETENT AND** 6 **RELIABLE HUMAN CLINICAL TESTS OR STUDIES**

7 **IT IS FURTHER ORDERED** that, with regard to any human clinical test  
 8 or study (“test”) upon which BRL Defendants rely to substantiate any claim  
 9 covered by this Order, BRL Defendants shall secure and preserve all underlying or  
 10 supporting data and documents generally accepted by experts in the field as  
 11 relevant to an assessment of the test, including, but not necessarily limited to:

12 A. All protocols and protocol amendments, reports, articles, write-ups, or  
 13 other accounts of the results of the test, and drafts of such documents reviewed by  
 14 the test sponsor or any other person not employed by the research entity;

15 B. All documents referring or relating to recruitment; randomization;  
 16 instructions, including oral instructions, to participants; and participant  
 17 compliance;

18 C. Documents sufficient to identify all test participants, including any  
 19 participants who did not complete the test, and all communications with any  
 20 participants relating to the test; all raw data collected from participants enrolled in  
 21 the test, including any participants who did not complete the test; source  
 22 documents for such data; any data dictionaries; and any case report forms;

23 D. All documents referring or relating to any statistical analysis of any  
 24 test data, including, but not limited to, any pretest analysis, intent-to-treat analysis,  
 25 or between-group analysis performed on any test data; and

26 E. All documents referring or relating to the sponsorship of the test,  
 27 including all communications and contracts, between any sponsor and the test’s  
 28 researchers.

For any test conducted, controlled, or sponsored, in whole or in part, by BRL Defendants, BRL Defendants must establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of any personal information collected from or about participants. These procedures shall be documented in writing and shall contain administrative, technical, and physical safeguards appropriate to BRL Defendants' size and complexity, the nature and scope of BRL Defendants' activities, and the sensitivity of the personal information collected from or about the participants.

**IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents, and employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, in any manner, expressly or by implication, including through the use of any product or program name, endorsement, depiction, or illustration:



1 B. That the benefits of such product are scientifically proven.

2 **V.**

3 **FDA APPROVED CLAIMS**

4 **IT IS FURTHER ORDERED** that nothing in this Order shall prohibit BRL  
5 Defendants from:

6 A. Making any representation for any drug that is permitted in labeling  
7 for such drug under any tentative or final monograph promulgated by the Food and  
8 Drug Administration, or under any new drug application approved by the Food and  
9 Drug Administration; and

10 B. Making any representation for any product that is specifically  
11 permitted in labeling for such product by regulations promulgated by the Food and  
12 Drug Administration pursuant to the Nutrition Labeling and Education Act of 1990  
13 or permitted under Sections 303-304 of the Food and Drug Administration  
14 Modernization Act of 1997.

15 **VI.**

16 **PROHIBITED REPRESENTATIONS ABOUT THE EXPERTISE OF**  
17 **ENDORSERS**

18 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,  
19 and employees, and all other persons in active concert or participation with any of  
20 them, who receive actual notice of this Order, whether acting directly or indirectly,  
21 in connection with the manufacturing, labeling, advertising, promotion, offering  
22 for sale, sale, or distribution of any Covered Product are permanently restrained  
23 and enjoined from misrepresenting, or assisting others in misrepresenting, in any  
24 manner, expressly or by implication, including through the use of any product or  
25 program name, endorsement, depiction, or illustration, that any person is an expert  
26 with respect to the endorsement message provided by that person.  
27  
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**VII.**

**PROHIBITED REPRESENTATIONS AS AN EXPERT ENDORSER**

**IT IS FURTHER ORDERED** that Defendant Reynolds, his agents, and employees, and all other persons in active concert or participation with him, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any Covered Product are permanently restrained and enjoined from making, directly or by implication, any representations as an expert endorser, including, but not limited to, the representations covered by Sections I, II, and IV, above, unless he possesses the represented expertise and he possesses and relies upon:

A. Competent and reliable scientific evidence required for the particular representation, as set forth in Sections I, II, and IV, above; and

B. An actual exercise of the represented expertise, in the form of an evaluation or test of such product conducted and evaluated in an objective manner and which is generally accepted in the relevant profession to yield accurate and reliable results.

**VIII.**

**MONETARY JUDGMENT**

**IT IS FURTHER ORDERED** that:

A. Judgment in the amount of NINETY-ONE MILLION Dollars (\$91,000,000) is entered in favor of the Commission against Defendants Brain Research Labs, LLC, 20/20 Brain Power Partners, LLC, 20/20 Brain Power Founders, LLC, MedHealth Direct, Inc., George Reynolds a/k/a Josh Reynolds and Joshua Reynolds, and John Arnold, jointly and severally, as equitable monetary relief.

B. In partial satisfaction of the judgment, One Million Four Hundred Thousand Dollars (\$1,400,000) currently held in escrow funds under the Escrow

1 Agreement dated April 14, 2014 between KeyView Labs, Inc. and Brain Research  
2 Labs, LLC, and Escrow Agent Blalock Walters P.A. (“Blalock Escrow  
3 Agreement”) and under the Escrow Agreement dated December 28, 2012 between  
4 KeyView Labs, Inc., Brain Research Labs, LLC, and Escrow Agent Trenam,  
5 Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis (“TK Escrow Agreement”)  
6 shall be used as follows:

7           1.     Within seven days of entry of this Order, BRL Defendants shall  
8 pay to the Commission One Million Dollars (\$1,000,000) or provide written notice  
9 to Escrow Agent Blalock Walters P.A. directing that all Escrow Funds in the  
10 Blalock Escrow Agreement shall be immediately paid to the Commission, as  
11 provided for in Article 1 of the Blalock Escrow Agreement. Such payment shall be  
12 made by electronic fund transfer in accordance with instructions previously  
13 provided by a representative of the Commission.

14           2.     Subject to Subparagraph VIII.B.3, below, the remaining Four  
15 Hundred Thousand Dollars (\$400,000) shall be reserved exclusively for payment  
16 to the Office of the District Attorney Santa Cruz County, Santa Cruz, California  
17 (“Santa Cruz”) pursuant to any judgment that is entered in *People of the State of*  
18 *California v. Brain Research Labs, LLC and Joshua Reynolds a/k/a George*  
19 *Reynolds*.

20           3.     If, for any reason, such payment is not made within seven days  
21 of entry of this Order to Santa Cruz pursuant to *People of the State of California v.*  
22 *Brain Research Labs, LLC and Joshua Reynolds a/k/a George Reynolds*,  
23 BRL Defendants shall, within 15 days of entry of this Order, pay the Commission  
24 Four Hundred Thousand Dollars (\$400,000) or provide written notice to Escrow  
25 Agent Trenam, Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis that all Escrow  
26 Funds under the TK Escrow Agreement shall be immediately paid to the  
27 Commission, as provided for in Article 1 of the TK Escrow Agreement. Such  
28

1 payment shall be made by electronic fund transfer in accordance with instructions  
2 previously provided by a representative of the Commission.

3 C. Upon completion of Section VIII. B, the remainder of the monetary  
4 judgment is suspended, subject to Section VIII. D, below.

5 D. The Commission's agreement to the suspension of part of the  
6 judgment is expressly premised upon the truthfulness, accuracy, and completeness  
7 of BRL Defendants' sworn financial statements and related documents  
8 (collectively "financial attestations") submitted to the Commission, namely:

9 1. the Financial Statement of Individual Defendant John Arnold,  
10 signed on June 13, 2014 [bates numbered JA-FIN-0001 through JA-FIN-0136];

11 2. the additional financial documentation for Defendant Arnold  
12 produced to Commission counsel on September 15, 2014 [bates numbered JA-FIN-  
13 137 through 178]; on September 16, 2014 [bates numbered JA-FIN-179 through  
14 579]; and September 23, 2014 [bates numbered JA-FIN-179 through 196];

15 3. the Financial Statement of Individual Defendant George a/k/a  
16 Josh and Joshua Reynolds, signed on June 13, 2014 [bates numbered JR-FIN-0001  
17 through JR-FIN-0079 and JR-FIN-0001 as corrected];

18 4. the additional financial documentation for Defendant Reynolds  
19 produced to Commission counsel on September 16, 2014 [bates numbered JR-FIN-  
20 0080 through 0270, bates numbered BN-FIN-0001 through 0157, and bates  
21 numbered J&B-FIN-001 through 0111] and on September 23, 2014 [bates  
22 numbered JR-FIN-271 through 287 and bates numbered J&B-FIN-0112 through  
23 117];

24 5. the Financial Statement of Corporate Defendant Brain Research  
25 Labs, LLC, signed on June 4, 2014 [bates numbered BRL-FIN-0001 through BRL-  
26 FIN-275, with corrected pages BRL-FIN-0001 through BRL-FIN-0015 produced  
27 to Commission counsel on August 7, 2014];

28 6. the additional financial documentation for Defendant Brain

1 Research Labs, LLC produced to Commission counsel on August 13, 2014 [bates  
2 numbered BRL-FIN-0276 through BRL-FIN-0324];

3 7. the Financial Statement of Corporate Defendant MedHealth  
4 Direct, Inc., signed on August 4, 2014 [bates numbered MHD-FIN-0001 through  
5 MHD-FIN-0086];

6 8. the additional financial documentation for Defendant  
7 MedHealth Direct, Inc. produced to Commission counsel on August 18, 2014  
8 [bates numbered MHD-FIN-0087 through MHD-FIN-0110], on September 15,  
9 2014 [bates numbered MHD-FIN-0111 through 152] and on September 23, 2014  
10 [bates numbered MHD-FIN-0153 through 158];

11 9. the Financial Statement of Corporate Defendant 20/20 Brain  
12 Power Founders, LLC, signed on August 4, 2014 [bates numbered BPF-FIN-0001  
13 through BPF-FIN-0269];

14 10. the Financial Statement of Corporate Defendant 20/20 Brain  
15 Power Partners, LLC, signed on August 4, 2014 [bates numbered BPP-FIN-0001  
16 through BPP-FIN-790]; and

17 11. the additional financial documentation for 20/20 Brain Power  
18 Partners, LLC produced to Commission counsel on August 18, 2014 [bates  
19 numbered BPP-FIN-791 through BPP-FIN-848].

20 12. the Escrow Agreement, dated April 14, 2014, between  
21 KeyView Labs, Inc. and Brain Research Labs, LLC, and Escrow Agent Blalock  
22 Walters P.A. (“Blalock Escrow Agreement”); and

23 13. the Escrow Agreement, dated December 28, 2012, between  
24 KeyView Labs, Inc., Brain Research Labs, LLC, and Escrow Agent Trenam,  
25 Kemker, Scharf, Barkin, Frye, O’Neill, and Mullis (“TK Escrow Agreement”).

26 E. The suspension of judgment will be lifted as to any BRL Defendant if,  
27 upon motion by the Commission, the Court finds that the Defendant failed to  
28 disclose any material asset, materially misstated the value of any asset, or made

1 any other material misstatement or omission in the financial attestations identified  
2 above.

3 F. If the suspension is lifted, the judgment becomes immediately due as  
4 to that Defendant in the amount specified in Subsection A, above, less any  
5 payment previously made pursuant to this Section plus interest computed from the  
6 date of entry of this Order.

7 G. BRL Defendants relinquish dominion and all legal and equitable right,  
8 title, and interest in all assets transferred pursuant to this Order and may not seek  
9 the return of any assets.

10 H. The facts alleged in the Complaint will be taken as true, without  
11 further proof, in any subsequent civil litigation by or on behalf of the Commission,  
12 including in a proceeding to enforce its rights to any payment or monetary  
13 judgment pursuant to this Order, such as a nondischargeability complaint in any  
14 bankruptcy case.

15 I. The facts alleged in the Complaint establish all elements necessary to  
16 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the  
17 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral  
18 estoppel effect for such purposes.

19 J. BRL Defendants acknowledge that their Taxpayer Identification  
20 Numbers (Social Security Numbers or Employer Identification Numbers), which  
21 BRL Defendants must submit to the Commission, may be used for collecting and  
22 reporting on any delinquent amount arising out of this Order, in accordance with  
23 31 U.S.C. § 7701.

24 K. All money paid to the Commission or released from Escrow pursuant  
25 to this Order may be deposited into a fund administered by the Commission or its  
26 designee to be used for equitable relief, including consumer redress and any  
27 attendant expenses for the administration of any redress fund. If a representative  
28 of the Commission decides that direct redress to consumers is wholly or partially

1 impracticable or money remains after redress is completed, the Commission may  
 2 apply any remaining money for such other equitable relief (including consumer  
 3 information remedies) as it determines to be reasonably related to BRL  
 4 Defendants' practices alleged in the Complaint. Any money not used for such  
 5 equitable relief is to be deposited to the U.S. Treasury as disgorgement. BRL  
 6 Defendants have no right to challenge any actions the Commission or its  
 7 representatives may take pursuant to this Subsection.

## 8 **IX.**

### 9 **COOPERATION WITH PLAINTIFF**

10 **IT IS FURTHER ORDERED** that BRL Defendants must fully cooperate  
 11 with the Commission in this case and in any investigation related to or associated  
 12 with the transactions or occurrences that are the subject of the Commission's  
 13 Complaint. BRL Defendants must provide truthful and complete information,  
 14 evidence, and testimony. BRL Defendants acknowledge, understand, and agree  
 15 that such cooperation shall include, but not be limited to, the following:

16 A. Causing its officers, employees, representatives, or agents to appear  
 17 for interviews as may reasonably be requested by a Commission representative;

18 B. Responding to all reasonable inquiries by a Commission  
 19 representative;

20 C. Providing all documents, records, or other tangible evidence  
 21 reasonably requested by a Commission representative;

22 D. Providing truthful declarations, affidavits, certifications, and written  
 23 testimony that may be reasonably requested by the Commission;

24 E. Causing its officers, employees, representatives, or agents to appear  
 25 and provide truthful testimony at any trial, deposition, or other proceeding without  
 26 the service of a subpoena; and

27 F. Releasing any current or former employees, representatives, or agents  
 28 from any confidentiality or other agreements that might limit their ability to appear



1 for interviews, provide truthful declarations, affidavits, certifications, and written  
2 testimony, or appear and provide truthful testimony at any trial, deposition, or  
3 other proceeding.

4 **X.**

5 **CUSTOMER INFORMATION**

6 **IT IS FURTHER ORDERED** that BRL Defendants, their officers, agents,  
7 employees, and all other persons in active concert or participation with any of  
8 them, who receive actual notice of this Order, are permanently restrained and  
9 enjoined from directly or indirectly:

10 A. Failing to provide sufficient customer information to enable the  
11 Commission to efficiently administer consumer redress. If a representative of the  
12 Commission requests in writing any information related to redress, BRL  
13 Defendants must provide it, in the form prescribed by the Commission, within 14  
14 days.

15 B. Disclosing, using, or benefiting from customer information, including  
16 the name, address, telephone number, email address, social security number, other  
17 identifying information, or any data that enables access to a customer's account  
18 (including a credit card, bank account, or other financial account), that any BRL  
19 Defendant obtained prior to entry of this Order in connection with the sale of  
20 Procera AVH; and

21 C. Failing to destroy such customer information in all forms in their  
22 possession, custody, or control within 30 days after receipt of written direction to  
23 do so from a representative of the Commission.

24 *Provided, however,* that customer information need not be disposed of, and  
25 may be disclosed, to the extent requested by a government agency or required by  
26 law, regulation, or court order.



**XI.**

**ORDER ACKNOWLEDGMENTS**

**IT IS FURTHER ORDERED** that BRL Defendants obtain acknowledgments of receipt of this Order:

A. Each BRL Defendant, within seven days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.

B. For five years after entry of this Order, each Individual Defendant for any business that such Defendant, individually or collectively with any other Defendant, is the majority owner or controls directly or indirectly, and each Corporate Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, and LLC managers and members; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within seven days of entry of this Order for current personnel. For all others, delivery must occur before they assume their responsibilities.

C. From each individual or entity to which a BRL Defendant delivered a copy of this Order, that Defendant must obtain, within 30 days, a signed and dated acknowledgment of receipt of this Order.

**XII.**

**COMPLIANCE REPORTING**

**IT IS FURTHER ORDERED** that BRL Defendants make timely submissions to the Commission:

A. One hundred and eighty (180) days after entry of this Order, each BRL Defendant must submit a compliance report, sworn under penalty of perjury.

1. Each BRL Defendant must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact,

1 which representatives of the Commission may use to communicate with such  
 2 Defendant; (b) identify all of that Defendant's businesses by all of their names,  
 3 telephone numbers, and physical, postal, email, and Internet addresses; (c) describe  
 4 the activities of each business, including the products and services offered, the  
 5 means of advertising, marketing, and sales, and the involvement of any other  
 6 Defendant (which Individual Defendants must describe if they know or should  
 7 know due to their own involvement); (d) describe in detail whether and how that  
 8 Defendant is in compliance with each Section of this Order; and (e) provide a copy  
 9 of each Order Acknowledgment obtained pursuant to this Order, unless previously  
 10 submitted to the Commission.

11 2. Additionally, each Individual Defendant must: (a) identify all  
 12 telephone numbers and all physical, postal, email and Internet addresses, including  
 13 all residences; (b) identify all business activities, including any business for which  
 14 such Defendant performs services whether as an employee or otherwise and any  
 15 entity in which such Defendant has any ownership interest; and (c) describe in  
 16 detail such Defendant's involvement in each such business, including title, role,  
 17 responsibilities, participation, authority, control, and any ownership.

18 B. For ten (10) years after entry of this Order, each BRL Defendant must  
 19 submit a compliance notice, sworn under penalty of perjury, within 14 days of any  
 20 change in the following:

21 1. Each BRL Defendant must report any change in: (a) any  
 22 designated point of contact; or (b) the structure of any Corporate Defendant or any  
 23 entity that such BRL Defendant has any ownership interest in or controls directly  
 24 or indirectly that may affect compliance obligations arising under this Order,  
 25 including: the creation, merger, sale, or dissolution of the entity or any subsidiary,  
 26 parent, or affiliate that engages in any acts or practices subject to this Order.

27 2. Additionally, each Individual Defendant must report any  
 28 change in: (a) name, including aliases or fictitious name, or residence address; or

(b) title or role in any business activity, including any business for which such Defendant performs services, whether as an employee or otherwise, and any entity that such Defendant controls directly or indirectly, and identify the name, physical address, and any Internet address of the business or entity.

C. Each BRL Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant within 14 days of its filing.

D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_” and supplying the date, signatory’s full name, title (if applicable), and signature.

E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, D.C. 20580. The subject line must begin: *FTC v. Brain Research Labs, LLC, et al.*

### **XIII.**

#### **RECORDKEEPING PROVISIONS**

**IT IS FURTHER ORDERED** that BRL Defendants must create certain records for 20 years after entry of the Order, and retain each such record for five years. Specifically, each Corporate Defendant and each Individual Defendant for any business that such Individual Defendant, individually or collectively with any other Defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

A. Accounting records showing the revenues from all Covered Products sold, all costs incurred in generating those revenues, and the resulting net profit or loss;

B. Personnel records showing, for each person providing services in connection with any Covered Product, whether as an employee or otherwise, that person's: name, addresses, telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination;

C. Complaints and refund requests concerning all Covered Products, whether received directly or indirectly, such as through a third party, and any response;

D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and

E. A copy of each unique advertisement or other marketing material for any Covered Product disseminated since the date of entry of this Order.

XIV.

## COMPLIANCE MONITORING

**IT IS FURTHER ORDERED** that, for the purpose of monitoring Defendants' compliance with this Order:

A. Within 14 days of receipt of a written request from a representative of the Commission, each BRL Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for depositions; and produce documents, for inspection and copying. The Commission also is authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

B. For matters concerning this Order, the Commission is authorized to communicate directly with each BRL Defendant. BRL Defendants must permit representatives of the Commission to interview any employee or other person

1 affiliated with any Defendant who has agreed to such an interview. The person  
2 interviewed may have counsel present.

3 C. The Commission may use all other lawful means, including posing,  
4 through its representatives, as consumers, suppliers, or other individuals or entities,  
5 to Defendants or any individual or entity affiliated with Defendants, without the  
6 necessity of identification or prior notice. Nothing in this Order limits the  
7 Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of  
8 the FTC Act, 15 U.S.C. §§ 49, 57b-1.

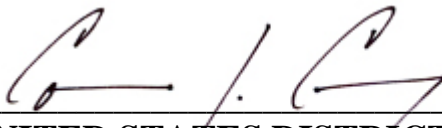
9 **XV.**

10 **RETENTION OF JURISDICTION**

11 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of  
12 this matter for purposes of construction, modification, and enforcement of this  
13 Order.

14 **SO ORDERED:**

15  
16 **DATED July 09, 2015**

17   
18 **UNITED STATES DISTRICT JUDGE**